PRESS RELEASE

Board approves separate and consolidated financial statements for 2010.

Consolidated results:

- **Revenue approximately €154 million (up 11% on 2009)**
- **EBITDA approximately €5.15 million (up 9% on 2009)**
- **EBIT approximately €1.37 million (down 37% on 2009)**
- **Profit before tax €1.45 million (down 47% on 2009)**
- **Net loss €2.24 million (down 271% on 2009)**

Group sees continuing improvement in revenue and EBITDA.

Commitment to Noverca confirmed as it nears conversion to Full MVNO and launch of new services.

Today's meeting of the Board of Directors of Acotel Group SpA has approved the separate and consolidated financial statements for the year ended 31 December 2010, which will be submitted for approval to the Annual General Meeting of shareholders (AGM) to be held on 22 and 29 April 2011, in first and second call, respectively.

Consolidated financial statements 2010

The Acotel Group reports consolidated revenue of €154.09 million for 2010 (up 11%), continuing the improvement seen over previous years.

The largest proportion of revenues, 89.5%, was generated by the supply of services. 8.5% was generated by mobile messaging solutions, with security systems and mobile telecommunications accounting for approximately 1% each.

Within the **Services** segment (€138 million), the largest proportion of revenues was generated by the B2C services provided by the US subsidiary, Flycell Inc., which generated revenues of around €103 million. This result is substantially in line with the figure for 2009, reflecting a downturn in sales in Spain, Italy and Turkey, offset by revenue growth in the USA and Latin America.
Within the same segment, B2B services generated total revenues of €34.6 million, with the Group doubling turnover in Brazil, thanks to Acotel do Brasil (€9.3 million), 69% growth reported by Info2cell in the Middle East (€14.4 million) and 12% growth in Italy, thanks to Acotel SpA (€10.9 million).

Revenues from the **Mobile Messaging Solutions** business, generated by the Dublin-based subsidiary, Jinny Software Ltd., saw strong growth, with total revenues of €16.4 million up 62%. After the difficulties encountered in 2009, linked primarily to the economic downturn affecting its main markets, 2010 saw the company kick-start its growth strategy by both entering new markets and expanding its presence in its existing markets.

In the **Mobile Telecommunications** business, where Noverca Italia Srl operates as a mobile virtual network operator (MVNO) in the Italian market, total revenues amount to €2.75 million with the Group's proportionate share of the company's revenues (59.4%) amounting to €1.63 million (up 512% on the €0.3 million of 2009).

During 2010 Noverca Italia launched new innovative services based on the USSD (Unstructured Supplementary Service Data) protocol. The key features of this protocol are that it permits the company to provide interactivity without the need for an internet connection and that it works on any mobile phone, even older models, both in Italy and overseas. The new services include one that allows customers to top up directly from their mobile phone, using a credit card, and another enabling them to pay their bills without having to go to the post office.

In the **Security** segment, in which the Italian subsidiary, AEM SpA, operates, revenues of €1.53 million are down 17.2% on the €1.8 million of 2009.

The geographical revenue breakdown shows that, thanks to the Group's B2C services, North America continues to be the Group's principal market, with revenues of €47.72 million (up 30% on 2009). Thanks to the results achieved by both the Services and Mobile Messaging Solutions segments, Latin America generated revenues of €42.86 million (up 18%), becoming the second most important geographical area. Europe, with revenues of €40.70 million (down 21.5%), suffered the effects of a fall in consumer sales in Spain and Italy, whilst in the Middle East, where the Group has for many years led the way in the provision of services to business customers, revenues of €17.29 million are up 70%. Finally, in Africa and Asia, where the Group is present primarily as a provider of Mobile Messaging Solutions, revenues amount to €3.59 million and €1.93 million, respectively, and are substantially in line with 2009.

Revenue growth is also reflected in an improvement in EBITDA, with gross operating profit totalling €5.15 million (up 9% on 2009). It should be noted that in the last quarter of the year the Group succeeded in turning around the consolidated gross operating loss (negative EBITDA) of approximately €3.5 million reported for the first nine months of the year, achieving EBITDA of approximately €8.65 million.

Flycell Inc. made a significant contribution to this result by adopting a different method of managing its advertising expenditure, the positive impact of which was seen in the second half of the year, as predicted in the interim report for 2010. The US subsidiary also benefitted from the positive outcome to the dispute – already referred to in previous financial reports – with the company's former CEO, Alberto Montesi. Although a settlement has yet to be finalised, the company has been able to recover €3.3 million (around US$4.4 million), recognised in the fourth quarter of 2010 as a reduction in advertising costs.

Jinny Software Ltd. also reports a strong improvement in earnings. This reflects the fact that the company normally earns a significant proportion of its revenues in the last quarter of the year, when its customers, primarily mobile operators, complete their annual capital expenditure plans.

After amortisation and depreciation of approximately €3.5 million, and impairment losses on non-current assets, amounting to €0.24 million, consolidated operating profit (EBIT) of €1.37 million is down 37% on the €2.18 million of 2009.

After net finance income of an albeit modest €0.1 million, the Group's profit before tax is €1.45

million (down 47% on 2009).

After tax expense for the year (€3.44 million) and the profit attributable to non-controlling interests (€0.25 million), the Group reports a loss for the year of €2.24 million, compared with a profit of €1.31 million for the previous year.

It should be noted that the above results were heavily influenced by the losses incurred by the two companies, Noverca Italia Srl and Noverca Srl, which are still at the start-up stage. These two companies together contributed EBITDA of €5.8 million and an after-tax loss of €9.8 million to the consolidated income statement.

Net funds of €34.22 million at 31 December 2010 are down €9.08 million on the €43.30 million of 31 December 2009. The reduction largely reflects the funding requirements of the start-ups, Noverca Italia Srl and Noverca Srl.

Parent Company's separate financial statements 2010

During 2010 the Parent Company, Acotel Group SpA, generated total revenue of €2.66 million, in line with the €2.61 million of 2009, reflecting substantially stable turnover from its activities as an Applications Service Provider for the subsidiary, Acotel SpA.

The Company reports a gross operating loss (negative EBITDA) of approximately €0.85 million, marking a deterioration with respect to the figure of around €0.4 million in 2009. The operating loss (negative EBIT) is €1.14 million, after amortisation and depreciation of approximately €0.29 million.

After net finance income approximately €0.64 million, and a tax benefit of around €0.27 million deriving from the decision to adopt a tax consolidation arrangement for the Group, the Company reports a loss of approximately €0.23 million for the year.

Events after 31 December 2010

In January Flycell Inc. began preparations for the launch of B2C services in new countries in Latin America, where it is already present in Brazil, Argentina and Mexico, and in the Far East.

Info2cell has renewed its agreement with Samsung, covering the provision of content management services for the Samsung Regional Multimedia Portal, and launched new services in Iraq, Yemen and Saudi Arabia.

In Brazil, Acotel do Brasil has begun to manage mobile voting for the BBB (Big Brother Brasil) TV programme, a service it has provided for some years.

In February the subsidiary, Jinny Software Ltd., took part in the Mobile World Congress in Barcelona, the most important global event for the mobile telecommunications industry, where it announced its new strategic positioning, summarised in the new payoff, "Powering Mobile Innovation".

Outlook

By the end of the summer of 2011 Flycell Inc. should have completed the commercial launch of its B2C services in countries neighbouring those in which the Group already operates.

In the Services segment, the Group will continue to provide its services to customers in Italy, Brazil and the Middle East, whilst at the same time seeking to expand its range to keep up with changing demand.

Companies operating in the Services segment will also boost their efforts to develop applications and services for smartphones, such as the iPhone or handsets that use the Android operating system, adopting a business model primarily based on advertising revenues.

Jinny Software Ltd. is expected to see further growth in view of the positive reaction of the market to its new positioning. This expectation is further supported by the company's healthy order book at the start of the year.

In addition to its expected conversion to a Full MVNO, due to take place in the middle of the year, Noverca Italia Srl will extend its commercial and technological integration with the Intesa Sanpaolo banking group, strengthen its distribution capacity and develop a new commercial offering based primarily on value added services.

From the second half of the year the company plans to launch mobile services that will, for example, enable customers to carry out video-surveillance of their homes or offices, at the same time controlling their energy consumption or monitoring their state of health and the health of the rest of their family.

In this regard, it should be noted that the decision to convert to a Full MVNO was taken primarily in order to support the supply of these services, which require the operator to keep a closer control of SIM cards and communication protocols.

Declaration by the manager responsible for the Group's financial reporting

The manager responsible for the Group's financial reporting, Luca De Rita, hereby declares, pursuant to article 154 *bis*, paragraph 2, of the Consolidated Law on Finance, that the information in this press release is consistent with the underlying accounting records.

Note: the reclassified consolidated and separate income statements, statement of financial position, statements of cash flows and analyses of net funds are attached. The data in these statements is currently being audited.

Rome, 15 March 2011

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ACOTEL GROUP

Reclassified consolidated income statement (€000)

	2010	2009	Increase/(Decrease)	% inc./(dec.)
Revenues	154,089	139,420	14,669	11%
Other income	427	256	171	67%
Total revenue	**154,515**	**139,676**	**14,839**	**11%**
Gross operating profit	**5,151**	**4,707**	**444**	**9%**
	3.33%	*3.37%*		
Operating profit/(loss)	**1,374**	**2,180**	**(806)**	**(37%)**
	0.89%	*1.56%*		
Net finance income/(costs)	73	576	(503)	(87%)
PROFIT/(LOSS) BEFORE TAX	**1,447**	**2,756**	**(1,309)**	**(47%)**
	0.94%	*1.97%*		
PROFIT/(LOSS) BEFORE NON-CONTROLLING INTERESTS	**(1,989)**	**1,544**	**(3,533)**	**(229%)**
	(1.29%)	*1.11%*		
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT	**(2,239)**	**1,311**	**(3,550)**	**(271%)**
	(1.45%)	*0.94%*		
Earnings per share	(0.54)	0.32		
Diluted earnings per share	(0.54)	0.32		

ACOTEL GROUP

Reclassified consolidated statement of financial position (€000)

	31 December 2010	31 December 2009	Increase/(Decrease)
Non-current assets:			
Property, plant and equipment	6.787	5.218	1.569
Intangible assets	13.112	13.404	(292)
Other assets	3.440	3.462	(22)
TOTAL NON-CURRENT ASSETS	**23.339**	**22.084**	**1.255**
Net current assets:			
Inventories	514	845	(331)
Trade receivables	31.990	27.015	4.975
Other current assets	8.633	4.482	4.151
Trade payables	(19.332)	(17.585)	(1.747)
Other current liabilites	(8.527)	(9.574)	1.047
TOTAL NET CURRENT ASSETS	**13.278**	**5.183**	**8.095**
STAFF TERMINATION AND AND OTHER EMPLOYEE BENEFITS	**(1.649)**	**(1.389)**	**(260)**
NON-CURRENT PROVISIONS	**(470)**	**(392)**	**(78)**
NET INVESTED CAPITAL	**34.498**	**25.486**	**9.012**
Equity:			
Share capital	1.084	1.084	-
Reserves and retained earnings/(accumulated losses)	69.243	66.079	3.164
Profit/(Loss) for the year	(2.239)	1.311	(3.550)
Non-controlling interests	558	308	250
TOTAL EQUITY	**68.646**	**68.782**	**(136)**
MEDIUM-/LONG TERM DEBT	**35**	**69**	**(34)**
Net cash and cash equivalents:			
Current financial assets	(26.284)	(27.843)	1.559
Cash and cash equivalents	(11.700)	(19.045)	7.345
Current financial liabilities	3.801	3.523	278
	(34.183)	**(43.365)**	**9.182**
NET FUNDS	**(34.148)**	**(43.296)**	**9.148**
TOTAL EQUITY AND NET FUNDS	**34.498**	**25.486**	**9.012**

ACOTEL GROUP
Consolidated statement of cash flows (€000)

	2010	2009
A. NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**43,365**	**38,564**
B. CASH FLOWS FROM (FOR) OPERATING ACTIVITIES	**(6,364)**	**7,297**
Cash flows from operating activities before changes in working capital	**764**	**2,677**
Profit/(Loss) for the year	(2,239)	1,311
Amortisation and depreciation	3,540	2,525
Impairment of assets	159	12
Net change in staff termination benefits	260	243
Net change in deferred tax liabilities	102	(2,832)
Net change in provisions	(1,058)	1,418
(Increase) / Decrease in receivables	(8,756)	(6,949)
- due from related parties	*(797)*	*(259)*
- other	*(7,959)*	*(6,690)*
(Increase) / Decrease in inventories	331	(449)
Increase / (Decrease) in payables	1,296	12,018
- due to related parties	*(383)*	*1,160*
- other	*1,679*	*10,858*
C. CASH FLOWS FROM (FOR) INVESTING ACTIVITIES	**(4,819)**	**(4,735)**
(Purchases)/disposals of fixed assets:		
- Intangible assets	(1,078)	(1,906)
- Property, plant and equipment	(3,739)	(2,778)
- Financial assets	(2)	(51)
D. CASH FLOWS FROM (FOR) FINANCING ACTIVITIES	**2,002**	**2,239**
Net borrowings:	(67)	-
- due to related parties	*(67)*	-
Increase / (Decrease) in medium/long-term debt	(34)	(32)
Other changes in equity	1,853	1,993
Change in non-controlling interests	250	278
E. CASH FLOW FOR THE YEAR (B+C+D)	**(9,182)**	**4,801**
F. NET CASH AND CASH EQUIVALENTS AT END OF YEAR	**34,183**	**43,365**

ACOTEL GROUP
Analysis of consolidated net funds (€000)

	31 December 2010	31 December 2009	Increase/(Decrease)
A. Cash and cash equivalents	11,700	19,045	(7,345)
B. Assets held for trading	23,683	10,627	13,056
C. Liquidity (A + B)	**35,383**	**29,672**	**5,711**
D. Loans and receivables due from related parties	529	-	529
E. Other current financial assets	2,601	17,216	(14,615)
F. Current financial assets (D + E)	**3,130**	**17,216**	**(14,086)**
G. Current bank borrowings	(3,768)	(3,491)	(277)
H. Current portion of non-current debt	(33)	(32)	(1)
I. Borrowings due from related parties	(462)	-	(462)
L. Current financial liabilities (G + H + I)	**(4,263)**	**(3,523)**	**(740)**
M. Net current funds (C+F+L)	**34,251**	**43,365**	**(9,114)**
N. Non-current financial liabilities	(35)	(69)	34
0. Non-current debt (N)	**(35)**	**(69)**	**34**
P. Net funds (M + O)	**34,216**	**43,296**	**(9,080)**
- related parties	67	-	67
- others	34,148	43,296	(9,148)

ACOTEL GROUP SpA

Reclassified income statement (€)

	2010	2009	Increase/(Decrease)	% inc./(dec.)
Revenues	2.660.058	2.613.227	46.831	2%
Other income	1.628.824	1.531.614	97.210	6%
Total	**4.288.882**	**4.144.841**	**144.041**	**3%**
Gross operating profit	**(846.982)**	**(398.180)**	**(448.802)**	**(113%)**
	(19,75%)	(9,61%)		
Operating profit/(loss)	**(1.138.351)**	**(627.345)**	**(511.006)**	**(81%)**
	(26,54%)	(15,14%)		
Net finance income/(costs)	637.665	1.282.840	(645.175)	(50%)
PROFIT/(LOSS) BEFORE TAX	**(500.686)**	**655.495**	**(1.156.181)**	**(176%)**
	(11,67%)	*15,81%*		
PROFIT/(LOSS) FOR THE YEAR	**(232.871)**	**415.567**	**(648.438)**	**(156%)**
	(5,43%)	*10,03%*		
Earnings per share	(0,06)	0,10		
Earnings per diluted share	(0,06)	0,10		

ACOTEL GROUP SpA

Reclassified statement of financial position (€)

	31 December 2010	31 December 2009	Increase/(Decrease)
Non-current assets			
Property, plant and equipment	859.616	756.665	102.951
Intangible assets	26.687	37.999	(11.312)
Non-current financial assets	67.214.436	66.737.239	477.197
Other assets	2.355.683	2.406.944	(51.261)
TOTAL NON-CURRENT ASSETS	**70.456.422**	**69.938.847**	**517.575**
Net current assets			
Trade receivables	651.374	841.223	(189.849)
Other current assets	7.957.135	3.704.804	4.252.331
Trade payables	(609.647)	(537.358)	(72.289)
Other current liabilities	(13.071.948)	(13.605.256)	533.308
TOTAL NET CURRENT ASSETS	**(5.073.086)**	**(9.596.587)**	**4.523.501**
STAFF TERMINATION BENEFITS	**(476.282)**	**(411.360)**	**(64.922)**
NON-CURRENT PROVISIONS	**(32.066)**	**(30.647)**	**(1.419)**
NET INVESTED CAPITAL	**64.874.988**	**59.900.253**	**4.974.735**
Equity:			
Share capital	1.084.200	1.084.200	-
Reserves and retained earnings/ (accumulated losses)	72.774.095	72.358.528	415.567
Profit/(Loss) for the year	(232.871)	415.567	(648.438)
TOTAL LIABILITIES AND EQUITY	**73.625.424**	**73.858.295**	**(232.871)**
MEDIUM/LONG-TERM DEBT	-	-	-
Net cash and cash equivalents:			
Current financial assets	(8.609.217)	(13.646.808)	5.037.591
Cash and cash equivalents	(150.505)	(311.256)	160.751
Current financial liabilities	9.286	22	9.264
	(8.750.436)	**(13.958.042)**	**5.207.606**
NET FUNDS	**(8.750.436)**	**(13.958.042)**	**5.207.606**
TOTAL EQUITY AND NET FUNDS	**64.874.988**	**59.900.253**	**4.974.735**

ACOTEL GROUP SpA

Statement of cash flows (€)

	2010	2009
A. NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**13,958,042**	**13,914,290**
B. CASH FLOWS FROM (FOR) OPERATING ACTIVITIES	**1,162,949**	**8,779,569**
Cash flows from operating activities before changes in working capital	**176,101**	**(1,567,842)**
Profit/(Loss) for the year	(232,871)	415,567
Amortisation and depreciation	291,369	229,165
Net change in staff termination benefits	64,922	87,018
Net change in deferred tax liabilities	52,681	(2,299,592)
(Increase) / Decrease in receivables	1,447,867	7,878,983
- due from related parties	*787,096*	*8,567,427*
- other	*660,771*	*(688,444)*
Increase / (Decrease) in payables	(461,019)	2,468,428
- due to related parties	*(412,043)*	*2,309,619*
- other	*(48,976)*	*158,809*
C. CASH FLOW FROM (FOR) INVESTING ACTIVITIES	**(860,205)**	**(8,735,817)**
(Purchases)/disposals of fixed assets:		
- Intangible assets	(4,937)	(13,876)
- Property, plant and equipment	(378,071)	(568,637)
- Financial assets	(477,197)	(8,153,304)
- related parties	*(477,197)*	*(8,153,304)*
D. CASH FLOW FROM (FOR) FINANCING ACTIVITIES	**(5,510,350)**	**-**
Loans provided	(5,510,350)	-
- due from related parties	*(5,510,350)*	-
E. CASH FLOW FOR THE YEAR (B+C+D)	**(5,207,606)**	**43,752**
F. NET CASH AND CASH EQUIVALENTS AT END OF YEAR (A+E)	**8,750,436**	**13,958,042**

ACOTEL GROUP SpA

Analysis of net funds (€)

	31 December 2010	31 December 2009	Increase/(Decrease)
A. Cash and cash equivalents	150,505	311,256	(160,751)
B. Securities held for trading	6,007,898	1,806,294	4,201,604
C. Liquidity (A + B)	**6,158,403**	**2,117,550**	**4,040,853**
D. Current financial receivables due from related parties	5,510,350	-	5,510,350
E. Other current financial receivables	2,601,319	11,840,514	(9,239,195)
F. Current financial receivables (D + E)	**8,111,669**	**11,840,514**	**(3,728,845)**
G. Current bank borrowings	(9,286)	(22)	(9,264)
H. Current debt (G)	**(9,286)**	**(22)**	**(9,264)**
I. Net funds (C + F + H)	**14,260,786**	**13,958,042**	**302,744**
- related parties	5,510,350	-	5,510,350
- others	8,750,436	13,958,042	(5,207,606)